

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF COMMUNITY AFFAIRS**

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**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number 03-01****TO: All Eligible Jurisdictions and Interested Parties****DATE: January 16, 2003**

**Subjects: 1) QUESTIONS AND ANSWERS FROM THE 2003 CDBG GENERAL/NATIVE  
AMERICAN AND COLONIAS APPLICATION TRAINING WORKSHOPS**

**2) HOUSING ELEMENT STATUS REQUIRED FOR CDBG FUNDING**

**Purpose of this section:**

To notify all eligible jurisdictions and interested parties of the answers to questions posed, but not answered, at the 2003/2004 General and Native American Allocation Application Training Workshops held in November and December 2002.

**Two year Grants**

- Q. Can an applicant apply for a 2-year grant to build a community facility with the first year's grant and then provide public services and benefit with the second grant?
- A. It is difficult to imagine a scenario for a combined community facility/public service that could not be phased. An applicant would have to justify and document that all services did not exist and that there was no other funding sources for these services.

**Job Training**

- Q. Is job training prior to micro enterprise an Eligible activity?
- A. Job training is an eligible public service activity.

**10% Set-Aside**

- Q. Can the 10% Set-Aside funds be used to compliment a P/TA activity?
- A. Using the 10% Set-Aside for a P/TA activity would exceed the amount of funds allowed for General Administrative activities and would be ineligible.
- Q. Are we allowed activity delivery for our 10% Set-Aside Activity?
- A. Yes, this is new for this year. The amount of activity delivery allowed for the Set-Aside is based on the type of activity. Please refer to page 8 of the CDBG NOFA for guidance on the amount of activity delivery allowed for each activity.

## **Farmworkers**

- Q. How do Farmworkers qualify for State Objective Points? How do you document them as Farmworkers?
- A. Up to 25 points will be awarded to proposals which facilitate the development and/or operation of migrant or permanent farmworker housing **or** proposals which facilitate the provision of health services in combination with farmworker housing or to housing or public service programs serving farmworkers. To receive these points, a minimum of 90 percent of the beneficiaries of the proposed activity must be farmworkers. Jurisdictions could document their status by having their employers document their jobs as farmworkers.

## **Housing Acquisition**

- Q. Please clarify when an applicant can use the 51% TIG benefit to receive full points.
- A. When an applicant is applying for funds under Housing Acquisition to acquire a rental project that is 51% or more TIG, the application will receive full points.

## **Leverage**

- Q. Can Youth Built (Federal funds) count as leverage? Sweat equity?
- A. Any source of funds that still retain their Federal Identity will not count as leverage. Sweat equity is provided by the property owner.
- Q. Can we use a realtor's survey to document land value?
- A. The most competitive documentation of the value of land is to submit third party documentation such as appraisals or tax records.

## **Public Hearing Notice**

- Q. Is it a requirement to include the TDD phone number on Public Hearing Notices?
- A. CDBG considers including TDD phone number on Public Hearing Notices a good business practice but does not require it.

## **New Construction**

- Q. If a property owner wanted to build a farmworker labor camp, is this "New Construction" or does it fall under Community Facilities?
- A. If the proposed facility restricts the length of stay to 180 days or less then it would be rated and ranked as a Community Facility. If the facility is permanent housing, no restrictions on length of stay, it would be rated and ranked as a New Construction activity.

- Q. Is onsite parking an eligible infrastructure cost for a New Construction project?
- A. Onsite parking is an eligible infrastructure cost for a New Construction project under the following conditions:
1. If the property is publicly owned at the time of construction, or
  2. The project is “last resort housing”, or
  3. The project is part of a “neighborhood revitalization project”, or
  4. Project is funded through HODAG, or
  5. Part of a housing project which is assistance to a neighborhood-based nonprofit organization, local development corporation, or nonprofit organization serving the development needs of a community in a non-entitlement area.
- Q. Are Water Meters an eligible infrastructure cost for a New Construction project?
- A. Yes.

### **Public Services**

- Q. Can funds be used to provide housing vouchers for the homeless? For example, can a jurisdiction make payment to a motel operator to provide rooms for the homeless?
- A. Homeless individuals are considered limited clientele and this would be an eligible use of CDBG funds, as long as the funds are not paid directly to the individual.

### **Public Works**

- Q. We want to replace a failing community septic system for a privately owned mobile home park. Is this a Public Works or a Housing Rehabilitation activity?
- A. Public Works.
- Q. Is “Chip and Seal” of streets an eligible activity?
- A. Yes, as long as the work is at a minimum for an entire block. Note that filling in potholes is considered maintenance and is not eligible.

### **Housing Rehabilitation**

- Q. We want to convert the 2<sup>nd</sup> floor of a commercial building to residential units. Is this a New Construction or Housing Rehabilitation activity?
- A. New Construction.
- Q. We have a mixed use project. The upstairs is residential and downstairs is commercial. Is the roof replacement of this project a shared cost or residential cost?
- A. It is housing rehabilitation cost.

**Purpose of this Section:**

To inform jurisdictions of the regulatory Housing Element requirement in order to receive CDBG funding.

**Housing Element Requirement**

Housing Elements are currently being updated. At the initial stage of application, CDBG will not reject an application based on either the content of the housing element or the Department's findings on the element, except as may otherwise be provided in Section 50830 of the Health and Safety Code. The requirements for award of grant funds are in Section 7056(b)(1) of the

Program's Regulations. Housing element compliance requirements are in the Government Code, Title 7, Division 1, Chapter 3, Article 10.6, beginning with Section 65580.

Housing Elements are required to be in procedural compliance in order to be funded. In order to be in Procedural Compliance the jurisdiction must have submitted the Housing Element to the Housing Policy Division (HPD) for comment, considered HPD's comments and then adopted the Housing Element.

In order to determine if your jurisdiction is out of procedural compliance please use the following website <http://www.hcd.ca.gov/hpd/hrc/plan/he/status.pdf> to determine your status. If you need further clarification on Housing Element issues please contact HPD at (916) 324-8652.

It is possible that HPD could expedite the review of your Housing Element in order to submit a Housing Element self certification required by CDBG. The Housing Element self certification is due by 5:00 pm. April 4, 2003. Failure to submit the Housing Element self certification by this date would mean the CDBG application would not be eligible for funding.